

A Multidimensional assessment of the efficiency of the Russian economy

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Abstract

Boosting efficiency is a top priority in the development of any economic system. Creating a trouble-free Russia is impossible without innovative socio-economic development, effective implementation of demographic programs, creating quality jobs, effective social control, effective guarantees for the protection of property and fulfilling contracts, the competitiveness of key factors for running a business, the efficiency of state power, combating corruption and a number of other crucial factors. In this regard, it's important to comprehend and assess the cause-effect linkages between the various indicators and aspects of the efficiency of Russia's economy. The article presents the methods and results of a multidimensional assessment of the efficiency of the Russian economy, which is based on the interrelationship between the crucial socio-demographic, market and financial-investment proportions of the economy. The understanding of the effective state of a macroeconomic system is indissolubly associated with the development of the theory of economic systems. Theoretical-methodological support for a multidimensional model for the efficiency of a macroeconomic system is laid down in the works of representatives of mercantilism, the Physiocratic school of thought, the neoclassical school of thought, the Austrian economic school of thought, the comparative and competitive advantage schools, the rational expectations theory. The author construes the efficiency of a macroeconomic system as a state of being close to the "ideal" functioning of the macro-system, attaining strategic objectives and long-run development priorities for the innovative modernization and social capital of the economy, the availability of efficient mechanisms for competition, sustained minimization of corruption and formation of efficient market establishments. The use of the multidimensional model implies sequential comparison of the functions obtained statistically with the "ideal" functions reflecting the dependencies of the resulting variable on the factor variable. The aggregate of the ideal functions implies attaining the maximum long-run socio-economic effect in the development of Russia. The constructed multidimensional model for the efficiency of the Russian economy has revealed the following major disproportions in the functioning of the macroeconomic system. Within the socio-demographic block it is the ineffectiveness of the government's social spending and the institutionalization of corruption. Within the market block it is a low degree of integration between the capital market and the real sector of the economy, which is manifested in the absence of a positive effect of the interest rate on the cost of capital and the employment rate. Within the financial-investment block it is the ineffectiveness of tax governance, which is caused by, first of all, the activity and sustainability of the one-day cash-in firms establishment and other forms of tax evasion, the not quite correct (predominantly state) design of innovation policy, weak use of the financial leverage effect, which harmonizes with the relatively low efficiency of Russia's corporate property governance establishment. The results obtained enabled the author to come up with a set of activities aimed at bringing the level of socio-

economic efficiency of the Russian economy in line with that of the developed countries of the world. © IDOSI Publications, 2013.

<http://dx.doi.org/10.5829/idosi.wasj.2013.25.05.13336>

Keywords

Competitiveness, Development, Efficiency Macroeconomic system, Multidimensional methods, Socio-economic effect